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Registry No. 289-01

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION

FOR THE

VARNISHED TUBING
AND SLEEVING INDUSTRY

AS SUBMITTED ON AUGUST 28, 1933



The Code for the Varnished Tubing and Sleeving Industry in its present form merely reflects the proposal of the above-mentioned industry, and *none of the provisions contained therein are to be regarded as having received the approval of the National Recovery Administration as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

SUBMITTED BY
THE VARNISHED TUBING INDUSTRY
(III)

CODE OF FAIR COMPETITION FOR THE VARNISHED TUBING AND SLEEVING INDUSTRY

To effectuate the policy of Title I of the National Industrial Recovery Act, during the period of the emergency, by reducing and relieving unemployment, improving the standards of labor, eliminating competitive practices destructive of the interests of the public, employees and employers, relieving the disastrous effects of over-capacity, and otherwise rehabilitating the varnished tubing and sleeving industry and by increasing the consumption of industrial and agricultural products by increasing purchasing power, and in other respects, the following provisions are established as a code of fair competition for the varnished tubing and sleeving industry.

No provision in this Code shall be interpreted or applied in such a manner as to:

- (a) Promote or permit monopolies.
- (b) Permit or encourage unfair competition.

(c) Eliminate, discriminate against, or oppress small enterprises. This Code shall apply to both intrastate and interstate transactions and shall be enforced impartially upon all members of the Industry whether or not they are members of the Varnished Tubing Association—the applicant for this Code—after any objecting member of the industry has been given an opportunity to present his case to the Federal Administrator.

PART I—EMPLOYMENT AND PRODUCTION

SECTION 1. Definitions.—The term "Varnished Tubing and Sleeving Industry" as used herein is defined to mean the braiding of cotton yarn and the processing of same in the manufacture of varnished tubing and varnished sleeving. The term "employees" as used herein shall include all persons employed in the conduct of such operations. The term "member of the industry" as used herein is defined to mean manufacturers, importers, and/or primary distributors of varnished tubing and/or varnished sleeving. The term "association" as used herein is defined to mean the Varnished Tubing Association or its successors. The term "effective date" as used herein is defined as Monday, August 7, 1933.

SEC. 2. Labor.—(a) Employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection.

(b) No employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing.

(c) Employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment approved or prescribed by the President.

SEC. 3. On and after the effective date the minimum wage that shall be paid by employers in the industry to any of their employees—except learners during a six weeks' apprenticeship, cleaners, and outside employees—shall be at the rate of \$14 per week for forty hours of labor.

(a) The amount of differences existing prior to July 17, 1933, between the wage rates paid various classes of employees (receiving more than the established maximum wage) shall not be decreased; in no event, however, shall any employer pay any employee a wage rate which will yield a less wage for a work week of 40 hours than such employee was receiving for the same class of work for the longer week of 48 hours or more prevailing prior to July 17, 1933. It shall be a function of the Board of Directors of the Varnished Tubing Association to observe the operation of these provisions and recommend such further provisions as experience may indicate to be appropriate to effectuate their purposes.

(b) Employers shall pay the minimum rate of pay per hour of employment established regardless of whether the employee's compensation is otherwise based on a time rate or upon a piece-work performance.

SEC. 4. On and after the effective date, employers in the industry shall not operate on a schedule of hours of labor for their employees—except repair-shop crews, engineers, electricians, firemen, office and supervisory staff, shipping, watching, and outside crews, and cleaners—in excess of 40 hours per week.

(a) On and after the effective date the maximum hours of labor of repair-shop crews, engineers, electricians, and watching crews in the industry shall, except in case of emergency work, be forty hours a week with a tolerance of 10 percent. Any emergency time in any mill shall be reported monthly to the Secretary of the Association.

(b) The maximum hours of labor for office employees in the industry shall be an average of forty hours a week over each period of six months.

(c) Under no circumstances shall an employee be employed or permitted to work for one or more employers in the industry in the aggregate in excess of the prescribed number of hours in a single week.

(d) The Industry shall submit to the Administration by January 1, 1934, a schedule of minimum wages and maximum hours for cleaners and outside workers.

SEC. 5. On and after the effective date, employers in the Industry shall not employ any minor under the age of 16 years.

SEC. 6. With a view to keeping the President informed as to the observance or nonobservance of this Code of Fair Competition, and as to whether the Varnished Tubing Industry is taking appropriate steps to effectuate the declared policy of the National Industry Recovery Act, each person engaged in said Industry shall furnish to the Secretary of the Varnished Tubing Association duly certified reports in substance as follow and in such form as may hereafter be provided:

(a) *Wages and Hours.*—Returns every four weeks showing actual hours worked by the various occupational groups of employees, and minimum weekly rates of wages.

(b) *Reports of Production, Stocks, and Orders.*—Quarterly returns shall be made by every member of the Industry showing orders of each industry product shipped in feet. Varnished Tubing Association or its successors, 522 Fifth Avenue, New York City, is constituted the agency to collect and receive such reports.

PART II—FAIR COMPETITIVE PRACTICES

SECTION 1. Every employer in the Industry shall use an accounting system which conforms to the principles of the uniform and standard method of accounting set forth in the Sixth Edition of the Manual of Accounting, prepared and published by the National Electrical Manufacturers Association, and a costing system to be formulated or approved by the Board of Directors of the Association to meet the individual conditions of the Industry.

SEC. 2. No employer in the Industry shall sell or exchange any product of the Industry at a price or upon such terms or conditions that will result in the customer paying for the goods received less than the cost to the seller, determined in accordance with the uniform and standard method of costing hereinabove prescribed.

SEC. 3. Inasmuch as it is the recognized practice of the Industry to sell its products on the basis of printed net price lists, or price lists with discount sheets, and fixed terms of payment which are distributed to the trade, each member of the Industry shall, within ten days of the effective date hereof, file with the Secretary of the Association a net price list or a price list and discount sheet as the case may be individually prepared by him showing his current prices, or prices and discounts, and terms of payment, and the Secretary of the Association shall immediately send copies thereof to all known manufacturers of such specified product. Revised price lists with or without discount sheets may be filed from time to time thereafter with the Secretary of the Association by any manufacturer of such product, to become effective upon the date specified therein, but such revised price lists and discount sheets shall be filed with the Secretary of the Association ten days in advance of the effective date, unless the Board of Directors of the Association shall authorize a shorter period. Copies of revised price lists and discount sheets, with notice of the effective date specified, shall be immediately sent to all known manufacturers of such product, who thereupon may file, if they so desire, revisions of their price lists and/or discount sheets, which shall become effective upon the date when the revised price list or discount sheet first filed shall go into effect.

SEC. 4. No member of the Industry shall sell directly or indirectly by any means whatsoever any product of the industry at a price lower or at discounts greater or on more favorable terms of payment than those provided in his current net price lists or price lists and discount sheets.

SEC. 5. Every member of the Industry shall keep on file with the Secretary of the Association an up-to-date list of all his distributors and/or agents, each one of whom shall sign a written agreement to accept and abide by the preceding Section 4 of Part II of this Code.

SEC. 6. If varnished tubing or varnished sleeving is offered for sale in this country at a price which threatens to defeat the purposes of the Act the Board of Directors of the Association shall request the President of the United States to license all members of the Industry and/or to place an embargo on the importation of such products.

SEC. 7. When a member of the Industry sells nonindustry and industry products together to the same customer, he shall not quote a combined lump-sum price which is less than the sum of current market prices of the separate products.

SEC. 8. No member of the Industry shall give or accept secret payment or allowance of rebates, refunds, or unearned discounts whether in the form of money or otherwise or extend to certain purchasers special services and/or privileges not extended to all purchasers.

SEC. 9. No member of the Industry shall be a party to commercial bribery in any form.

SEC. 10. No member of the Industry shall engage in any misrepresentation—direct or implied.

SEC. 11. No member of the Industry shall make an invoice and/or contract which is a false record of a transaction.

SEC. 12. No member of the Industry shall induce or attempt to induce the cancellation of an order or the breach of a contract between a competitor and his customer or distributor.

PART III—ADMINISTRATION

SECTION 1. The Varnished Tubing Association, the applicant herein, unanimously agrees to accept and be bound by all the provisions of this Code on and after the effective date pending formal approval of the Code by the President, and with such changes and/or additions as he may designate.

SEC. 2. The Association imposes no inequitable restrictions on admission to membership and every member has but one vote.

SEC. 3. To further effectuate the policies of the Act the Board of Directors of the Association shall cooperate with the Federal Administrator as a planning and fair practice agency for the Industry. Such agency may from time to time present to the Federal Administrator recommendations based on conditions in the Industry as they may develop from time to time which will tend to effectuate the operation of the provisions of this Code and the policy of the National Industrial Recovery Act.

SEC. 4. Any alleged infraction of the regulations governing the Industry shall be investigated by a disinterested party, designated by the Board of Directors, who shall report to an Arbitration Board of three members, one of whom shall be appointed by the accused member of the Industry, one by the Board of Directors of the Association, and one shall be selected by the other two. In the event of the first two appointees being unable to agree on a third member of the Arbitration Board, the third member shall then be named by a United States District Court Judge upon the request of the Board of Directors of the Association. This Arbitration Board shall give a hearing to all parties at interest and shall report its findings to the Board of Directors of the Association for its action.

SEC. 5. Every member of the Industry shall, upon request, make any or all of his records pertaining to Industry business available to a disinterested party designated by the Board of Directors of the Association.

SEC. 6. The expense of administrating this Code shall be budgeted by the Association. Such expense shall be charged to and paid by every member of the Industry in proportion to his shipments, in dollars, of varnished tubing and varnished sleeving sold as such in the open market during the next preceding calendar year, provided that the minimum annual payment hereunder shall be \$250.

SEC. 7. Every member of the Industry shall pay to the Association upon demand, semiannually in advance, one half the annual assessment determined in accordance with Section 6 of Part III hereof. Nonpayment, within thirty (30) days of amounts assessed against any member of the Industry shall constitute a violation of this Code.

SEC. 8. This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of Clause 10 (b) of the National Industrial Recovery Act, from time to time, to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of the said act, and specifically to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code will be submitted for approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of Title I of the National Industrial Recovery Act consistent with the provisions hereof.

VARNISHED TUBING ASSOCIATION,
STEWART N. CLARKSON, *Secretary.*



